



Texas Agricultural Extension Service

Understanding Your Local Economy: Agricultural Program Payments

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Government program payments to agricultural producers can play a significant role in the local economy and its development. By providing dollars that represent income to producers, a potential contribution is made to local economic activity. Indirectly, agricultural program payments may be sustaining the existing structure of the local economy by providing the margin needed for economic survival of many agricultural operations. Therefore, substantial increases or decreases in these payments could have a major impact on the local economy.

Evaluation of these payments on local economic activity may be particularly relevant at this point in time as federal policymakers review agricultural programs. However, the interaction and impact can be quite complex. An initial and relatively simple step in this process is to assess the magnitude of agricultural program payments in the local economy.

Data presented for all Texas counties on the reverse page includes the total dollar amounts of agricultural program payments to all producers and the contribution (percentage) these payments make to aggregated net income of all producers in each county.

Total dollar payments represent income in the county that would not otherwise be available to producers and their families for operating expenditures, investment in capital items, consumer purchases or personal savings. However, note that these payments, and any substantial changes in them, can only affect the local economy to the extent they are captured there. The local impact of these dollars is diminished to the extent they are

spent or invested elsewhere. Still, the total dollar amount of agricultural program payments provides an indication of potential effects on the local economy.

Among counties of the state, this figure ranges from zero to over \$30 million with a fairly typical value being on the order of \$1.5 million. Counties with the largest amounts tend to be located in regions dominated by cotton and cash grain production (Panhandle and South Plains).

Contributions to agricultural income indicate the importance of these payments to the continuation of the existing agricultural, and possibly non-agricultural, economic structure in the county. A 100 percent or greater contribution indicates a zero or negative net income from agricultural production itself. In this case, essentially all agricultural income is derived from government program payments.

Across Texas counties, this figure ranges from zero to almost 900 percent with a fairly typical value being on the order of 30 percent. In over one-third of the state's counties, government payments account for greater than 50 percent of net agricultural income. Counties with the largest percentages tend to be located in the rice, cotton and cash grain producing regions of coastal and West Texas.

The effect of government program payments on individual agricultural operations, the aggregated agricultural sector, and associated local economies varies substantially. Changes in these programs would have a similarly varied impact. In some cases, for example, decreases in program payments could increase agricultural incomes by reducing feed costs. However, the information presented here provides a basis for further, more in-depth evaluation of the relationships between these elements of the local economy.

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Agricultural Program Payments*

County	(\$1000)	Pct	County	(\$1000)	Pct	County	(\$1000)	Pct	County	(\$1000)	Pct
ANDERSON	258	3	DONLEY	2,685	35	KAUFMAN	870	36	REAL	348	16
ANDREWS	2,490	58	DUVAL	644	5	KENDALL	554	26	RED RIVER	2,138	64
ANGELINA	112	3	EASTLAND	226	7	KENEDY	21	4	REEVES	1,906	13
ARANSAS	14	6	ECTOR	0	0	KENT	1,435	107	REFUGIO	2,737	37
ARCHER	1,948	27	EDWARDS	2,815	127	KERR	635	46	ROBERTS	833	34
ARMSTRONG	3,507	74	ELLIS	3,121	16	KIMBLE	1,440	38	ROBERTSON	2,655	68
ATASCOSA	369	5	EL PASO	1,257	17	KING	990	279	ROCKWALL	184	11
AUSTIN	906	16	ERATH	2,597	10	KINNEY	1,713	88	RUNNELS	5,987	58
BAILEY	11,425	39	FALLS	1,671	36	KLEBERG	1,450	16	RUSK	248	7
BANDERA	275	14	FANNIN	3,506	63	KNOX	6,603	102	SABINE	0	0
BASTROP	319	8	FAYETTE	455	5	LAMAR	3,710	69	SAN AUGUSTINE	68	2
BAYLOR	3,964	47	FISHER	8,651	153	LAMB	24,122	43	SAN JACINTO	19	6
BEE	1,536	24	FLOYD	21,232	267	LAMPASAS	580	71	SAN PATRICIO	9,995	101
BELL	1,744	33	FOARD	3,269	92	LA SALLE	455	37	SAN SABA	965	41
BEXAR	952	7	FORT BEND	7,021	19	LAVACA	1,183	10	SCHLEICHER	2,022	491
BLANCO	316	6	FRANKLIN	727	11	LEE	141	4	SCURRY	6,663	117
BORDEN	2,425	51	FREESTONE	128	5	LEON	248	4	SHACKELFORD	816	66
BOSQUE	473	20	FRIO	1,137	17	LIBERTY	4,165	881	SHELBY	165	1
BOWIE	1,710	134	GAINES	26,190	205	LIMESTONE	794	16	SHERMAN	12,690	35
BRAZORIA	5,244	43	GALVESTON	865	110	LIPSCOMB	3,142	44	SMITH	313	1
BRAZOS	1,457	14	GARZA	3,589	123	LIVE OAK	770	38	SOMERVELL	33	7
BREWSTER	184	5	GILLESPIE	1,476	17	LLANO	139	3	STARR	1,618	9
BRISCOE	4,858	62	GLASSCOCK	5,602	71	LOVING	0	0	STEPHENS	182	14
BROOKS	227	11	GOLIAD	331	13	LUBBOCK	25,806	78	STERLING	1,136	194
BROWN	1,224	69	GONZALES	324	2	LYNN	19,920	86	STONEWALL	2,160	103
BURLESON	1,532	52	GRAY	3,536	33	MCCULLOCH	1,980	92	SUTTON	2,181	111
BURNET	347	5	GRAYSON	2,816	31	MCLENNAN	2,019	22	SWISHER	16,222	91
CALDWELL	794	21	GREGG	0	0	MCMULLEN	52	2	TARRANT	606	6
CALHOUN	3,201	179	GRIMES	671	13	MADISON	119	1	TAYLOR	3,166	23
CALLAHAN	741	62	GUADALUPE	699	19	MARION	59	9	TERRELL	1,870	39
CAMERON	11,540	49	HALE	30,731	108	MARTIN	12,232	127	TERRY	22,131	113
CAMP	261	2	HALL	6,439	80	MASON	905	14	THROCKMORTON	1,533	36
CARSON	8,841	67	HAMILTON	1,189	30	MATAGORDA	8,517	119	TITUS	202	9
CASS	154	2	HANSFORD	14,141	41	MAVERICK	98	0	TOM GREEN	7,850	56
CASTRO	19,938	55	HARDEMAN	5,653	64	MEDINA	1,281	17	TRAVIS	1,456	16
CHAMBERS	5,478	618	HARDIN	135	8	MENARD	1,324	26	TRINITY	34	1
CHEROKEE	585	4	HARRIS	2,985	15	MIDLAND	3,021	143	TYLER	33	2
CHILDRESS	5,413	162	HARRISON	233	21	MILAM	2,820	40	UPSHER	852	11
CLAY	2,515	47	HARTLEY	7,368	32	MILLS	1,437	104	UPTON	1,454	41
COCHRAN	9,828	78	HASKELL	11,559	61	MITCHELL	6,123	130	UVALDE	3,723	29
COKE	1,183	49	HAYS	279	6	MONTAGUE	583	16	VAL VERDE	3,999	49
COLEMAN	1,834	28	HEMPHILL	1,042	26	MONTGOMERY	56	2	VAN ZANDT	633	3
COLLIN	2,452	14	HENDERSON	261	2	MOORE	11,382	35	VICTORIA	2,318	50
COLLINGSWORTH	5,453	158	HIDALGO	10,462	36	MORRIS	29	1	WALKER	175	2
COLORADO	7,902	86	HILL	3,740	30	MOTLEY	2,749	60	WALLER	1,762	60
COMAL	194	20	HOCKLEY	21,054	113	NACOGDOCHES	391	2	WARD	13	2
COMANCHE	1,873	14	HOOD	438	13	NAVARRO	2,340	52	WASHINGTON	294	5
CONCHO	4,341	112	HOPKINS	4,037	19	NEWTON	35	3	WEBB	230	3
COOKE	1,285	16	HOUSTON	755	14	NOLAN	4,919	188	WHARTON	18,718	108
CORYELL	1,068	22	HOWARD	8,704	86	NUECES	10,807	108	WHEELER	2,069	16
COTTLE	4,585	131	HUDSPETH	1,253	17	OCHILTREE	10,778	122	WICHITA	3,936	54
CRANE	0	0	HUNT	1,567	34	OLDHAM	2,601	14	WILBARGER	8,210	209
CROCKETT	3,122	84	HUTCHINSON	4,123	29	ORANGE	185	88	WILLACY	7,338	57
CROSBY	15,856	94	IRION	1,079	41	PALO PINTO	205	6	WILLIAMSON	6,513	31
CULBERSON	604	19	JACK	175	10	PANOLA	333	4	WILSON	597	10
DALLAM	11,555	120	JACKSON	8,609	133	PARKER	569	4	WINKLER	0	0
DALLAS	621	8	JASPER	104	5	PARMER	21,702	40	WISE	860	18
DAWSON	19,445	117	JEFF DAVIS	131	7	PECOS	2,653	76	WOOD	550	6
DEAF SMITH	19,152	30	JEFFERSON	6,256	526	POLK	60	3	YOAKUM	9,997	117
DELTA	963	49	JIM HOGG	89	5	POTTER	1,126	11	YOUNG	1,677	53
DENTON	1,698	18	JIM WELLS	1,970	49	PRESIDIO	142	2	ZAPATA	143	11
DE WITT	328	4	JOHNSON	1,501	22	RAINS	563	16	ZAVALA	2,293	50
DICKENS	3,433	86	JONES	9,902	98	RANDALL	6,552	18			
DIMMIT	220	78	KARNES	395	57	REAGAN	2,798	57			

* Source: Bureau of Economic Analysis, Department of Commerce, Annual Average 1982-86, corrected for inflation.

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